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E.O. 12958: DECL: 07/02/2019
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SUBJECT: IRREGULAR WORKERS BILL REVISIONS WAYLAY NATIONAL
ASSEMBLY

Classified By: POL Joseph Y. Yun. Reasons 1.4 (b,d).

11. (C) Summary: The June session of the National Assembly, which finally convened on June 26, has yet to hold a session, remaining deadlocked over the issue of converting "irregular workers" to regular status. In the absence of revision to the relevant legislation by the June 30 deadline, the first irregular workers have already been laid off and more will soon follow. Neither the ruling Grand National Party (GNP) nor the main opposition Democratic Party (DP) seem ready to yield, and some of our interlocutors think it likely that the Assembly could remain at loggerheads for the whole 30-day session. In the coming days, the key will be who takes the blame -- the DP for its obstructionism, the GNP for its incompetence, or President Lee Myung-bak for his lack of leadership on the issue. END SUMMARY.

Irregular Workers

12. (SBU) The bill governing irregular workers was passed in November 2006 and entered into force on July 1, 2007. The bill banned companies from discriminating against the roughly 700,000 irregular workers, who often perform the same duties as regular workers but with lower wages, fewer benefits, and without contracts. The 2007 legislation imposed a requirement that companies convert irregular workers to regular workers within two years after hiring them. The legislation also included a two-year moratorium on the firing of irregular workers to give the government time to develop and implement policies that would support their conversion. Immediately before the bill entered into force in 2007 several large companies fired their irregular staff so they would not be bound by the moratorium; massive strikes ensued.

13. (SBU) This week marked the two-year anniversary of the legislation and the end of the moratorium, meaning that any irregular workers who have been working for two years or more are vulnerable to lay-offs. Indeed the papers are rife today with stories of people who have already lost their jobs, including some who work for state-run enterprises.

14. (SBU) In order to prevent layoffs the Ministry of Labor and GNP have long been arguing for a three-year extension of the moratorium on firing such workers or converting them to regular status. The DP has expressed support for a six-month moratorium extension, but the minor Democratic Labor Party

and labor organizations strongly oppose another moratorium. They argue that the government failed to take the necessary steps during the first moratorium to support firms in converting irregular workers. Another moratorium, they say, will only prolong the problem.

Committee Chair Choo Mi-ae Draws Fire

15. (C) DP Representative Choo Mi-ae chairs the National Assembly's Environment and Labor Committee, which has to pass the revised bill containing the extension of the moratorium before it can move forward to a plenary vote. Choo has refused to convene the committee, however, until the political parties and labor unions come to an agreement. GNP lawmakers on the committee have met every morning and afternoon since the June session started. Choo attended every meeting; her absence would allow the ranking GNP lawmaker to be acting Chair and call the committee to order. Choo is taking heat from the GNP for her obstructionism as well as from some within her own party who note that Choo was behind the requirement for labor buy-in to the law's revisions. The unions, our contacts say, have no intention of compromising.

Desperate Measures

16. (SBU) On July 1, at an unannounced meeting of GNP committee members, ranking GNP lawmaker Cho Won-jin convened the Environment and Labor Committee and tabled the GNP's proposed revisions. The GNP claimed that Choo Mi-ae refused to convene the committee, making it lawful for the acting Chair to do so. Meanwhile, the DP has filed ethics charges against Cho Won-jin. This action does not move the bill forward, but instead increases pressure on Choo Mi-ae and National Assembly Speaker Kim Hyung-o, who yesterday dismissed the possibility of using his power to send the bill directly to the plenary.

Comment

17. (C) The DP continues to block all committee meetings -- not just the Labor and Environment Committee -- preventing the National Assembly from making any progress on needed economic reforms. The irregular workers bill has become the lightning rod for inter- and intra-party conflict, but the subtext is the government's proposed media reform bills. GNP contacts have consistently reiterated their commitment to passing media reform, while DP interlocutors are equally emphatic about their opposition to the legislation. If the DP breaks the logjam on irregular workers, the GNP could try to push the media reform bill through the National Assembly. Still, the DP is playing a risky game. If the Speaker decides to start sending bills directly to the plenary where the GNP has the majority, they could lose their ability to influence legislation. That option, legal but frowned upon, would only be viable if public sentiment turns decisively against the DP.
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